



House of Representatives

File No. 768

General Assembly

February Session, 2016

(Reprint of File Nos. 483 and 733)

Substitute House Bill No. 5180
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 30, 2016

AN ACT CONCERNING CONCRETE FOUNDATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2016*) Prior to the issuance of a
2 certificate of occupancy for a new residential or commercial building
3 for which a concrete foundation was installed on or after October 1,
4 2016, the applicant shall provide the building official with written
5 documentation of the name of the individual or entity that supplied
6 the concrete and the name of the individual or entity that installed the
7 concrete. Copies of such documentation shall be maintained in the
8 records of the office of the building official for not less than fifty years.

9 Sec. 2. (NEW) (*Effective from passage and applicable to assessment years*
10 *commencing on or after October 1, 2016*) (a) Any owner of a residential
11 building who has obtained a written evaluation from a professional
12 engineer licensed pursuant to chapter 391 of the general statutes
13 indicating that the foundation of such residential building was made
14 with defective concrete may provide a copy of such evaluation to the
15 assessor and request a reassessment of the residential building by the

16 assessor. Not later than ninety days after receipt of a copy of such
17 evaluation, or prior to the commencement of the assessment year next
18 following, whichever is earlier, the assessor, member of the assessor's
19 staff or person designated by the assessor shall inspect the residential
20 building and adjust its assessment to reflect its current value. Such
21 reassessment may be appealed pursuant to section 12-111 of the
22 general statutes. Any reassessment under this section shall apply for
23 five assessment years, notwithstanding the provisions of section 12-62
24 of the general statutes.

25 (b) An owner of a residential building that has obtained a
26 reassessment pursuant to this section shall notify the assessor if the
27 concrete foundation is repaired or replaced during the five assessment
28 years for which the reassessment is effective. Such notification shall be
29 made in writing within thirty days of the repair or replacement of the
30 concrete foundation. Not later than ninety days after receipt of such
31 notification, or prior to the commencement of the assessment year next
32 following, whichever is earlier, the assessor, member of the assessor's
33 staff or person designated by the assessor shall inspect the residential
34 building and adjust its assessment to reflect its current value.

35 Sec. 3. (*Effective July 1, 2016*) Not later than January 1, 2017, the
36 Commissioner of Consumer Protection, after consulting with the
37 Attorney General, shall submit a report, in accordance with the
38 provisions of section 11-4a of the general statutes, to the joint standing
39 committee of the General Assembly having cognizance of matters
40 relating to planning and zoning, on the potential cause or causes of
41 failing concrete foundations. Not later than January 1, 2017, the
42 Commissioner of Consumer Protection shall post such report on the
43 Department of Consumer Protection's Internet web site.

44 Sec. 4. (NEW) (*Effective from passage*) Any documentation provided
45 to or obtained by an executive branch agency, including
46 documentation provided or obtained prior to the effective date of this
47 section, relating to claims of faulty or failing concrete foundations in
48 residential buildings by the owners of such residential buildings, and

49 documents prepared by an executive branch agency relating to such
50 documentation, shall be maintained as confidential by such agency for
51 not less than seven years after the date of receipt of the documentation
52 or seven years after the effective date of this section, whichever is later.

53 Sec. 5. Subsection (b) of section 1-210 of the 2016 supplement to the
54 general statutes is amended by adding subdivision (28) as follows
55 (*Effective from passage*):

56 (NEW) (28) Any documentation provided to or obtained by an
57 executive branch agency, including documentation provided or
58 obtained prior to the effective date of this section, relating to claims of
59 faulty or failing concrete foundations in residential buildings by the
60 owners of such residential buildings, and documents prepared by an
61 executive branch agency relating to such documentation, for seven
62 years after the date of receipt of the documentation or seven years after
63 the effective date of this section, whichever is later.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	New section
Sec. 2	<i>from passage and applicable to assessment years commencing on or after October 1, 2016</i>	New section
Sec. 3	<i>July 1, 2016</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	1-210(b)

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Consumer Protection, Dept.	GF - None	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities	None	See Below	See Below

Explanation

State

The bill results in no fiscal impact to the state as the Department of Consumer Protection has garnered expertise in the area of failing residential property foundations over the past year.

Municipalities

The bill requires municipal assessors to reassess properties with certain foundation problems at the request of the property owner. Subsequently, it freezes the property's assessment for five years, or until the property owner notifies the assessor that the foundation problems have been fixed.

Assessors may, under current law, change the assessment of a property annually. To the extent that this changes current practice, a grand list reduction will occur when a property's assessment is changed to reflect foundation damage. Correspondingly, there is a grand list expansion that will occur when a property is re-assessed after the foundation problems are fixed.

House “A” (LCO 5560) struck the underlying bill and its fiscal impact resulting in the fiscal impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to any re-assessments.

OLR Bill Analysis**sHB 5180 (as amended by House "A")******AN ACT CONCERNING CONCRETE FOUNDATIONS AND SEPTIC TANKS.*****SUMMARY:**

This bill establishes requirements related to residential and commercial concrete foundations. It:

1. establishes additional requirements for obtaining a certificate of occupancy for a new structure for which a concrete foundation was installed;
2. requires municipalities, at an owner's request, to revalue residential properties with foundation problems;
3. requires the Department of Consumer Protection (DCP) to investigate the cause or causes of concrete foundation failure; and
4. requires executive agencies to maintain records related to failing residential concrete foundations as confidential for at least seven years.

*House Amendment "A" principally (1) removes provisions that (a) changed requirements for residential property condition disclosure reports, (b) referenced oxidizing minerals, and (c) required DCP to report on rights and obligations of common interest community property owners and methods of remediating failing concrete foundations and septic tanks; (2) reduces the amount of information the bill originally required from a person seeking a certificate of occupancy; (3) requires DCP to investigate the cause or causes of concrete foundation failure; and (4) modifies the underlying bill's

requirements concerning confidential records.

EFFECTIVE DATE: Upon passage and applicable to assessment dates beginning on or after that date, except the provision requiring a report to the legislature is effective July 1, 2016 and the provision about certificates of occupancy is effective October 1, 2016.

§ 1 — OBTAINING A CERTIFICATE OF OCCUPANCY

The bill requires an individual seeking a certificate of occupancy for a new residential or commercial building for which a concrete foundation was installed on or after October 1, 2016 to provide the local building official with documentation showing the name of the concrete supplier and installer. The local building official's office must keep copies of such documentation in its records for at least 50 years.

§ 2 — PROPERTY REASSESSMENT

The bill requires municipal assessors or their staff or designees to inspect and reassess residential properties with foundations made from defective concrete at the property owner's request. Residential property owners seeking to have their property reassessed must submit to the assessor a copy of a written evaluation, prepared by a state-licensed professional engineer, indicating that the property's foundation was made with defective concrete. The property must be inspected and its assessment adjusted within 90 days of the report's submission or the next assessment year, whichever is earlier. The adjusted assessment must reflect the property's current value. Property owners can appeal these adjusted assessments under the same procedures applicable to regular assessment appeals.

The bill specifies that the new assessment is valid for five assessment years, regardless of the year in which the municipality's next revaluation is scheduled. However, if a property owner repairs or replaces the foundation within the five-year period, he or she must notify the assessor in writing within 30 days. Within 90 days of receiving notification or before the next assessment year, whichever is earlier, the property must be inspected and revalued accordingly.

Under current law, interim reassessments are mandated in two circumstances: (1) when property damage requires complete demolition or reconstruction and (2) for new construction.

§ 3 — REPORT ON CONCRETE FOUNDATION FAILURE

The bill requires the DCP commissioner, after consulting with the attorney general, to report to the Planning and Development Committee on the potential cause or causes of failing concrete foundations. The commissioner must submit the report to the committee, and post it on DCP's website, by January 1, 2017.

§§ 4 & 5 — CONFIDENTIALITY OF RECORDS

The bill requires executive agencies to keep documentation provided to or obtained by it related to owners' claims of faulty or failing residential concrete foundations confidential for at least seven years from the date of receipt. If at the time of the bill's passage the agency has already obtained such documentation, it must keep it confidential for seven years after the bill's passage. Similarly, agency-prepared documents related to such documentation must be kept confidential for seven years from the date of receipt or the bill's passage, whichever is later.

The bill exempts these records from disclosure under the Freedom of Information Act (FOIA).

Legislative History

The House referred the bill (File 483) to the Appropriations Committee, which reported a substitute that (1) transferred responsibilities from the state building inspector to DCP and (2) extended the reporting deadlines.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 1 (03/18/2016)

Appropriations Committee

Joint Favorable Substitute

Yea 54 Nay 1 (04/18/2016)